

**TSN ITDS Committee**  
**Announcing the Formation of the Alcohol and Tobacco Tax and Trade Bureau (TTB)**  
**Import Working Group**

**Attention: Brokers, Importers, and Software Developers:** The International Trade Data System (ITDS) Committee of the Trade Support Network (TSN) needs your input and participation in our new **Alcohol and Tobacco Tax and Trade Bureau (TTB) Import Working Group**. The ITDS Trade Co-Chairs are Sandra Scott (SekoLogistics) and Stuart Schmidt (UPS).

**Working Group Purpose**

The purpose of the TTB Import Working Group is to solicit stakeholder input regarding the data elements that TTB intends to require to be submitted through the Automated Commercial Environment (ACE) filing system, as well as the technical requirements to use ACE. The working group will primarily focus on the information technology issues associated with implementing ACE. The working group will consist of members of the international trade community that import TTB-regulated commodities, software development companies, and representatives from TTB and U.S. Customs and Border Protection (CBP) that are working on the ACE project. Participation in ACE will require the electronic submission of TTB-required import data for cargo admissibility processing and internal revenue tax calculation, through the use of Electronic Data Interchange (EDI). Your involvement is needed to ensure that ACE will provide for the efficient and timely clearance of cargo, while maintaining compliance with TTB regulations.

**TTB Authority**

Under Chapters 51 and 52 of the Internal Revenue Code (IRC), imported distilled spirits, wine, beer, tobacco products, and cigarette papers and tubes are subject to excise tax that is determined upon removal from customs custody. Responsibility for assessing and collecting the excise taxes due on imported alcohol and tobacco products are among the “Customs revenue functions” vested by statute with the Secretary of the Treasury (6 USC 212) and delegated to the Secretary of Homeland Security under Treasury Order 100-16 (68 FR 28322, dated May 23, 2003). The importer is liable for the tax on the imported products unless an exemption applies, such as the transfer under IRC bond to the premises of a domestic TTB permittee. When tax is paid upon importation, the tax is collected by CBP along with the duties as part of the Customs entry process. When imported products are transferred in bond, TTB collects the tax from the domestic permittee when the products are removed into domestic commerce.

TTB issues permits under the Federal Alcohol Administration Act (27 USC 203-204) or the Internal Revenue Code (26 USC 5712-5713) to importers of distilled spirits, wine, malt beverages, tobacco products, and processed tobacco. No person may engage in the business of importing these products without first obtaining the required TTB permit. TTB also approves alcohol beverage labels under the Federal Alcohol Administration Act (27 USC 205(e)). Generally, imported alcohol beverages may not be removed from customs custody in bottles for consumption, for sale or for any other commercial purpose, unless TTB has previously approved the labels. In some cases, TTB requires other documentation to be submitted at entry in support of its tax collection and consumer protection missions. CBP enforces these import permit, labeling, and other documentation requirements.

TTB monitors alcohol and tobacco import data collected by CBP to ensure that TTB's importer permit and alcohol labeling requirements are being met, and to reconcile transfers of imported products under IRC bond with TTB's domestic tax receipts.

The TTB import processes that will be reviewed during the working group sessions include the CBP release of alcohol and tobacco without payment of tax and the replacement of certain paper forms currently presented at entry or entry summary by an electronic data collection.

### **Working Group Task**

The task of this working group is to assure that all technical and data requirements are transitioned to ACE in a seamless and timely manner, and that data collected in ACE assists TTB to perform its importer regulation, alcohol labeling, and tax administration responsibilities. Furthermore, coordinated and automated messaging among CBP, TTB, and the trade must be developed to provide a streamlined entry process.

Once ACE is fully operational, the current import system known as the Automated Commercial System (ACS) will be decommissioned, and ACE will become the sole electronic filing system. As such, all TTB data related to manifest, cargo release, and post-release processing will be required to be submitted electronically via the Partner Government Agency (PGA) Message Set.

### **Working Group Commitment**

Working Group participants should be prepared to commit to one or two 2-hour conference calls. A more definite schedule will be determined at the Working Group's first meeting. The teleconferences will focus on the technical data flows and business processes required for the aforementioned TTB message sets in order to define the programming and operational guidelines to be implemented by CBP, TTB, importers, and customs brokers when filing and processing entries for products subject to TTB jurisdiction. Regulatory and policy issues are outside the scope of this working group.

**To participate in the TTB ACE/ITDS Working Group please send your contact information to:**

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**Please Respond By COB April 30, 2015**